



February 25, 2005

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## SENATE BILL No. 566

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DIGEST OF SB 566 (Updated February 24, 2005 10:39 am - DI 58)

**Citations Affected:** Noncode.

**Synopsis:** Medical informatics commission. Establishes the medical informatics commission. Requires the commission to conduct a study or contract for a study to be conducted on health care information and communication technology. Requires the commission to provide two progress reports and a final report to the general assembly concerning a plan and recommendations on the creation, implementation, and maintenance of a health care information and communication technology system. Requires the commission to hold a public hearing before providing the final report to the general assembly. Requires the office of family and social services to provide staff for and pay the expenses of the commission, if the budget agency determines there is funding.

**Effective:** July 1, 2005.

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**Dillon, Simpson, Howard, Craycraft**

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January 20, 2005, read first time and referred to Committee on Economic Development and Technology.

February 1, 2005, amended, reported favorably — Do Pass; reassigned to Committee on Appropriations.

February 24, 2005, amended, reported favorably — Do Pass.

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SB 566—LS 7512/DI 110+



February 25, 2005

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

## SENATE BILL No. 566

A BILL FOR AN ACT concerning health and to make an appropriation.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. [EFFECTIVE JULY 1, 2005] (a) As used in this  
2 SECTION, "commission" means the medical informatics  
3 commission established by subsection (c).

4 (b) As used in this SECTION, "health care provider" means a  
5 licensed physician or an agent of a physician.

6 (c) The medical informatics commission is established.

7 (d) The commission consists of fourteen (14) members as  
8 follows:

9 (1) The secretary of family and social services, or the  
10 secretary's designee, who serves as chairperson of the  
11 commission.

12 (2) The commissioner of the state department of health or the  
13 commissioner's designee.

14 (3) The commissioner of insurance or the commissioner's  
15 designee.

16 (4) Two (2) licensed physicians who are actively engaged in  
17 the practice of medicine.

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(5) Two (2) individuals who are engaged in the administration of a hospital licensed under IC 16-21.

(6) One (1) individual who represents an insurer (as defined in IC 27-1-2-3) that issues or delivers a policy of accident and sickness insurance (as defined in IC 27-8-5-1).

(7) One (1) individual who represents a health maintenance organization (as defined in IC 27-13-1-19).

(8) One (1) individual who has legal expertise in matters concerning the privacy and security of health care information.

(9) The state's chief information officer.

(10) One (1) individual who is engaged in the business of computer information technology.

(11) One (1) individual engaged in the business of health care information technology.

(12) One (1) individual from the business community.

The governor shall appoint the members of the commission designated by subdivisions (4) through (12).

(e) If a vacancy occurs on the commission, the governor shall appoint a new member to serve for the remainder of the unexpired term. A vacancy shall be filled from the same group that was represented by the outgoing member.

(f) The commission shall elect from the commission members a vice chairperson and a secretary.

(g) The office of family and social services shall:

- (1) provide administrative support for the commission; and
- (2) if the budget agency determines there is money available, pay the expenses of the commission.

(h) Eight (8) members of the commission constitute a quorum for the transaction of all business of the commission. The affirmative votes of a majority of the voting members appointed to the commission are required for the commission to take action on any measure.

(i) Each member of the commission who is a state employee is entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided by the Indiana department of administration and approved by the budget agency.

(j) If the budget agency determines money is available, the commission and the office of family and social services shall:

- (1) conduct a study; or
- (2) contract for a study to be conducted;

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on health care information and communication technology in Indiana.

(k) The office of family and social services may contract for advisory services under IC 5-22 to assist the commission in conducting the study under this SECTION. The request for proposals must include:

- (1) an organizational structure for the study; and
- (2) the feasibility of obtaining a governmental or private grant to assist in funding the study.

(l) The commission shall:

- (1) identify and seek assistance from the major participants in health care delivery and reimbursement systems who would be affected by an interoperable statewide health care information and communication technology system; and
- (2) establish a plan for the creation of an interoperable statewide health care information and communication technology system.

(m) The plan under subsection (l)(2) must include:

- (1) a determination of:
  - (A) the feasibility of; and
  - (B) a plan for;
    - developing and implementing a health care information infrastructure system to be used by health care providers and other potential users;
- (2) the identification of an organizational structure for:
  - (A) the development of an open, flexible, and interoperable technology infrastructure; and
  - (B) the continued operation and maintenance of the health care information and communication technology system recommended under this SECTION;
- (3) an analysis of:
  - (A) an existing information technology system of a health care provider, a government agency, or a third party payor; and
  - (B) the feasibility of incorporating an existing system into the health care information and communication technology system recommended under this SECTION;
- (4) the identification of an available governmental or private grant for the implementation of a health care information and communication technology system;
- (5) a business plan for financing the development and maintenance of the technology infrastructure, including an

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- 1 available governmental or private grant;
- 2 (6) the identification of potential problems and recommended
- 3 solutions regarding matters involving privacy, security,
- 4 federal mandates or preemption, and antitrust laws;
- 5 (7) an analysis of the current capabilities of the public and
- 6 private telecommunications systems in Indiana to support the
- 7 type and volume of data transmission required by the health
- 8 care information and communication technology system
- 9 recommended under this SECTION; and
- 10 (8) a recommendation that considers the following features:
- 11 (A) A provision to guarantee security and privacy for all
- 12 health care providers, patients, and potential users of the
- 13 system.
- 14 (B) A provision for an interoperable personal health
- 15 record, including patient identification.
- 16 (C) The demonstrable and measurable ability to:
- 17 (i) improve the quality of health care;
- 18 (ii) improve patient safety;
- 19 (iii) reduce medical errors; and
- 20 (iv) reduce duplication of health care services.
- 21 (D) The ability to gather, store, and recall data efficiently
- 22 and cost effectively.
- 23 (E) The ability for health care providers and other
- 24 potential users to quickly access reliable, evidence based,
- 25 and current treatment guidelines, standards, and
- 26 protocols.
- 27 (F) The ability to provide rapid point of care access to
- 28 medical information.
- 29 (G) A provision to enhance public health through:
- 30 (i) population based epidemiological studies;
- 31 (ii) automatic notification of reportable diseases; and
- 32 (iii) maintenance of statutorily mandated and voluntarily
- 33 reported statistical databases and registries.
- 34 (H) A method for financing initial and continuing system
- 35 related costs of health care providers, including user fees.
- 36 (I) Existing regulatory and administrative barriers to the
- 37 implementation of the health care information and
- 38 communication technology system recommended under
- 39 this SECTION.
- 40 (J) Other appropriate features.
- 41 (n) The office of family and social services shall:
- 42 (1) if a contract is awarded under this SECTION, oversee and

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1 coordinate contractor performance; and

2 (2) provide to the general assembly:

3 (A) a biannual progress report before January 1, 2006, and  
4 July 1, 2006; and

5 (B) a final report not later than November 1, 2006.

6 (o) The commission's final report must:

7 (1) review the:

8 (A) study conducted by a recognized expert in health care  
9 information and communication technology, if applicable;  
10 or

11 (B) commission's study; and

12 (2) make recommendations regarding creating and  
13 implementing a plan for an interoperable health care  
14 information and communication technology system as  
15 required under this SECTION.

16 (p) The commission shall, before providing the final report  
17 under this SECTION:

18 (1) issue drafts of the recommended final plan for public  
19 review; and

20 (2) hold at least one (1) public meeting in a central location in  
21 Indiana to receive public comments on the plan.

22 (q) The commission shall provide each report under this  
23 SECTION in an electronic format under IC 5-14-6 to the general  
24 assembly through the legislative council.

25 (r) This SECTION expires December 31, 2006.

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SENATE MOTION

Madam President: I move that Senators Simpson and Howard be added as coauthors of Senate Bill 566.

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## COMMITTEE REPORT

Madam President: The Senate Committee on Economic Development and Technology, to which was referred Senate Bill No. 566, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 5, between lines 5 and 6, begin a new line double block indented and insert:

**"(I) Existing regulatory and administrative barriers to the implementation of the health care information and communication technology system recommended under this SECTION."**

Page 5, line 6, delete "(I)" and insert "(J)".

and when so amended that said bill do pass.

(Reference is to SB 566 as introduced.)

FORD, Chairperson

Committee Vote: Yeas 10, Nays 0.

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SENATE MOTION

Madam President: I move that Senator Craycraft be added as coauthor of Senate Bill 566.

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## COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred Senate Bill No. 566, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, delete lines 9 through 13, begin a new line block indented and insert:

**"(1) The secretary of family and social services, or the secretary's designee, who serves as chairperson of the commission.**

**(2) The commissioner of the state department of health or the commissioner's designee."**

Page 2, delete lines 11 through 12, begin a new line block indented and insert:

**"(9) The state's chief information officer."**

Page 2, line 19, delete "A member appointed".

Page 2, delete line 20.

Page 2, line 27, delete "Except as provided in subsection (t), the state department of".

Page 2, line 28, delete "health" and insert **"The office of family and social services"**.

Page 2, line 30, after "(2)" insert **"if the budget agency determines there is money available,"**.

Page 2, delete lines 36 through 42.

Page 3, line 1, delete "(j)" and insert **"(i)"**.

Page 3, line 6, delete "(k) The commission" and insert **"(j) If the budget agency determines money is available, the commission and the office of family and social services"**.

Page 3, delete lines 11 through 13 begin a new paragraph and insert:

**"(k) The office of family and social services may contract for advisory services under IC 5-22 to assist the commission in conducting the study under this SECTION. The request for proposals must"**.

Page 3, delete lines 18 through 21.

Page 3, line 22, delete "(n)" and insert **"(l)"**.

Page 3, line 25, delete "a uniform" and insert **"an interoperable"**.

Page 3, line 27, delete "a uniform" and insert **"an interoperable"**.

Page 3, line 30, delete "(o)" and insert **"(m)"**.

Page 3, line 30, delete "(n)(2)" and insert **"(l)(2)"**.

Page 4, line 27, delete "a unique patient identifier." and insert **"patient identification."**

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Page 5, line 11, delete "(p)" and insert "**(n)**".

Page 5, line 11, delete "commission" and insert "**office of family and social services**".

Page 5, line 12, delete "subsection (m)," and insert "**this SECTION,**".

Page 5, line 15, delete "1" and insert "**1, 2006,**".

Page 5, line 16, delete "1 of each year;" and insert "**1, 2006;**".

Page 5, line 18, delete "(q)" and insert "**(o)**".

Page 5, line 18, delete "under subsection (p)(2)(B)".

Page 5, line 24, delete "the".

Page 5, line 26, after "for" delete "a" and insert "**an interoperable**".

Page 5, line 28, delete "subsection (n)." and insert "**this SECTION.**".

Page 5, line 29, delete "(r)" and insert "**(p)**".

Page 5, line 30, delete "subsection (p)(2)(B):" and insert "**this SECTION:**".

Page 5, line 35, delete "(s)" and insert "**(q)**".

Page 5, line 35, delete "a" and insert "**each**".

Page 5, line 35, delete "subsection (p)" and insert "**this SECTION**".

Page 5, delete lines 38 through 42.

Page 6, delete line 1.

Page 6, line 2, delete "(u)" and insert "**(r)**".

and when so amended that said bill do pass.

(Reference is to SB 566 as printed February 2, 2005.)

MEEKS, Chairperson

Committee Vote: Yeas 9, Nays 0.

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